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IXSIR WINERY OF LEBANON

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On the evening of June 12, 2016, Hady Kahale received sombre news as he headed home from work to his house in Adma, in northern Lebanon: a bomb blast had struck the western part of Lebanon’s capital, Beirut. Kahale, the general manager of IXSIR Wines of Lebanon (IXSIR), was concerned about how political unrest in the country had been negatively affecting wine sales. This was not the first bomb attack Lebanon had suffered; several other incidents had occurred in the past few years. Kahale realized that the economy was suffering and people were spending less. Moreover, the tourism sector had been severely affected: the number of tourists had decreased from 2.3 million in 2010 to a fraction of that number in 2015. This latest blast in Beirut, along with the never-ending disagreements between politicians, signalled rougher times ahead. Kahale started thinking about different ways to tackle the threat represented by this instability.

Established in 2007, IXSIR was a relatively young winery in Lebanon, a country known for its fertile lands and extensive wine production. The name of the winery was derived from the Arabic word *al-iksir* (elixir), which represented the essence or purest form of a substance. IXSIR was based in Batroun, in northern Lebanon, and owned vineyards across the country to ensure a rich blend of different grapes in its wines.

Lebanese people consumed wine mainly in restaurants, in pubs, and at special events such as dinners or weddings, which were particularly important in Lebanese culture. When economic activity and the number of tourists visiting the country decreased, there was an overall decrease in wine consumption, which negatively affected all wineries, including IXSIR.

Kahale wondered how he could mitigate this potential decrease in revenue. What should IXSIR do to ensure its continued survival? Should it pursue some other revenue-generating activities such as oenotourism (wine tourism) or diversify into different products? How could IXSIR respond to the downturn in the market?

LEBANON

Lebanon was a small country in the Middle East, bordered to the west by the Mediterranean Sea, to the south by Israel, and to the east and north by Syria (see Exhibit 1). The country’s population was 95 per cent Arab and 4 per cent Armenian, with the remaining 1 per cent coming from other ethnic groups. The country’s official language was Arabic, and other languages spoken in the country included French, English, and Armenian.

Before World War I, Lebanon had been under the rule of the Ottoman Empire for almost 400 years. Following the collapse of the Ottoman Empire, Lebanon fell under French authority when France was granted the mandate for Syria and Lebanon. In 1920, the French delineated the region of Lebanon, and in 1943, the country of Lebanon gained its independence.

Ever since its independence, Lebanon had been subject to social and political instability and ongoing conflicts between different political parties and religious sects. From 1975 to 1990, the country endured a civil war that resulted in around 120,000 casualties. The country was occupied by the Syrian military from 1976 to 2005, and after Syria’s withdrawal, it was the site of a brief war between Hezbollah (a Lebanese Shiite Muslim political party) and Israel in 2006. Lebanon’s borders with Syria and Israel remained unresolved as of 2016. The situation was complex, and it was assumed that conflicts would persist, at least in the short term. Nevertheless, the country had been also prospering by leveraging its position as a regional centre for finance and trade.

Macroeconomic Factors

The Lebanese economy (see Exhibit 2) was severely affected by the regional turmoil and spillover from the Syrian conflict. The influx of more than 1.1 million registered Syrian refugees since 2011 had increased internal tensions and slowed economic growth, which was between 1 and 2 per cent from 2011 to 2015, compared to 8 per cent in 2010.

Lebanon had always had a free-market economy and a strong *laissez-faire* commercial tradition. The Lebanese economy was service-oriented. In 2015, the service sector accounted for 69.7 per cent of the gross domestic product (GDP), with banking and tourism being the main growth sectors. Tourism was improving: the number of tourists had increased by 14 per cent in 2015 (compared to 6 per cent in 2014), and 1.54 million tourists had visited the country by the end of the year. However, the total number of tourists was still 33 per cent below the peak that had been reached in 2010, one year before the Syrian crisis had brought new instability to the region.[[1]](#footnote-1)

While the country’s official currency was the Lebanese pound (LBP), both the pound and the U.S. dollar were used interchangeably in the Lebanese economy.[[2]](#footnote-2) The Lebanese currency was freely convertible, as the Central Bank of Lebanon (BDL) had significant reserves of various international currencies.

Social Factors

The Lebanese population, which reached 6,184,701 people in 2015 (see Exhibit 2), was highly diverse and included people from 18 different religious groups: 54 per cent were Muslim, 40.5 per cent were Christian, 5.5 per cent were Druze, and smaller numbers belonged to the Jewish, Bahá’í, Buddhist, Hindu, and Mormon faiths.[[3]](#footnote-3) The high share of Christians, who did not have to refrain from drinking alcohol for religious reasons, allowed for significant wine consumption in the country.

The Lebanese diaspora in various countries around the world originated in the mid-nineteenth century, when conflicts between Christian and Muslim communities and the economic crisis around Mount Lebanon led to the first significant emigration from Lebanon. The civil war of 1975–1990 increased overall emigration and included emigrants from varied socioeconomic backgrounds. Data on the number of Lebanese emigrants was uncertain, but it was estimated that there were 602,280 Lebanese emigrants residing abroad in 2012. Lebanese emigrants typically headed to North America (33.2 per cent), Arab countries (27 per cent), the European Union (24.7 per cent), and Australia (12.5 per cent).[[4]](#footnote-4)

Technological Factors

Use of the Internet and mobile cellular networks was expanding in Lebanon due to the ease of acquiring such technology, and this potentially provided greater opportunities for interaction between firms and consumers. In 2015, the country had four million Internet users and 4.4 million mobile cellular users (see Exhibit 2).

Climate

Lebanon’s Mediterranean climate and fertile ground were very favourable for wine production. In the wet winter season (October to May), there was abundant rainfall on the coast and in the mountains. During the semiarid summer (June to September), there was no rainfall. However, during the past few years, the seasons had not been as well defined as they used to be, and this posed potential problems for wine production. Other problematic issues included air pollution from vehicle traffic and the burning of industrial waste, deforestation, soil erosion, desertification, and the pollution of coastal waters from raw sewage and oil spills.[[5]](#footnote-5)

INTERNATIONAL WINE MARKET

The process of winemaking, which began around 6000 BCE, had not changed much over time. One of the most important ingredients was not the grape, but the land itself. The location of the vineyard was important in winemaking because it influenced the type and quality of the wine by determining the inclination of the ground, the type and quality of the soil, the humidity of the air, the quantity of rain, and the nearby flora and fauna. All of these facets were referred to as *terroir*. Good terroir was essential for growing grapes of good quality for winemaking.

In the northern hemisphere, grapes typically began to sprout in March or April, when the vines were exposed to sunlight. After the summer growing season, grapes were typically harvested from late August to early October. The grapes were then sent to a winery, where they were crushed to extract juice (see Exhibit 3). Winemakers used different processes at this point, depending on whether the winery was producing red or white wine.[[6]](#footnote-6)

In 2015, 61 per cent of global wine production was by the top five wine-producing countries: Italy (4.6 million tons), France (4.2 million tons), the United States (3.4 million tons), Spain (3.2 million tons), and Chile (2.2 million tons). The fastest-growing wine-producing region was Latin America, where production almost doubled between 2009 and 2014 to reach 3.8 million tons.[[7]](#footnote-7)

As for wine consumption, the international market was undergoing interesting changes. While less wine was being drunk in traditional wine-producing countries such as France and Italy, new wine markets were emerging in countries such as China, whose total consumption increased by about 36 per cent between 2010 and 2014.[[8]](#footnote-8) Global wine consumption—which had grown by only 2.8 per cent between 2007 and 2011—grew by 5.3 per cent between 2012 and 2016. By the end of 2016, global wine consumption was estimated to reach 25.83 billion litres, or 34.48 billion bottles.

An emerging segment in the global market was sparkling wine, which had been growing quickly, at a rate of 8.5 per cent, between 2012 and 2016. Sparkling wine was estimated to account for 8.7 per cent of all wines drunk in the world by the end of 2016. The increase was primarily due to a rise in consumption in the top four sparkling wine markets of Germany, France, Russia, and the United States. On the other hand, consumption of still wine was growing more slowly—by only 5.44 per cent between 2012 and 2016. Red wine was the most widely consumed still wine, with around 54 per cent of the market share, followed by white wine (37 per cent) and rosé (9 per cent).[[9]](#footnote-9)

LEBANESE WINE MARKET

Lebanon was one of the oldest sites for wine production in the world. It had been producing wine for several thousand years, and the country’s terroir had proven to be ideal for wine. Lebanon’s alcoholic beverage industry produced mainly beer, arak (a colourless Levantine alcoholic spirit made of grapes and anise), and wine.[[10]](#footnote-10)

In 2012, the Lebanese wine industry was worth US$26.4 million,[[11]](#footnote-11) and by the end of 2015, Kahale estimated it had reached a value of $30.77 million. Lebanon produced approximately eight million bottles a year and exported 40 per cent of this to over 50 countries. The main export markets were the United Kingdom (12 per cent), France (7 per cent), the United States (5 per cent), and the United Arab Emirates (2 per cent). Although these percentages had changed over the years, the United Kingdom maintained its position as the top importer of Lebanese wine.

Lebanon was also a major importer of wine, with 84 per cent of imported wine coming from France, 8 per cent from Italy, and 8 per cent from other countries. These imports posed a threat to the domestic industry because some restaurants, wanting to portray a prestigious image and considering that offering only imported wine was more consistent with their brand, did not offer any Lebanese wine to customers.

Even though the wine industry struggled during the civil war, it had been growing steadily since the early 2000s. Despite the high costs of entering the market, the number of wine producers had increased nine times since 1993—back when there were only five wineries. This was because low production costs, which ranged between 20 per cent and 30 per cent of retail value, made the investment appealing in the long term. In 2016, Lebanon had over 40 wine producers located in different regions, namely, the Bekaa Valley, Batroun, Mount Lebanon, and South Lebanon. This led to quality competition even among the market leaders.

**MAIN COMPETITORS**

The two biggest wine producers, Château Ksara and Château Kefraya, represented 50 per cent of Lebanese wine sales. Ksara’s share represented 30 per cent of Lebanese wine production.[[12]](#footnote-12) Founded in 1857, with the French slogan “Le Vin du Liban” (The Wine of Lebanon), it had been leading the market for over 157 years. The company was situated on an almost two-kilometre-long network of 1,000-year-old natural chalk caves, which created ideal temperature and humidity conditions for storing wine throughout the year and gave Ksara a strong edge over its competitors. Ksara’s best-selling and most popular wines included Réserve du Couvent, Sunset Rosé, and Blanc de Blancs. Château Ksara wine was sold in more than 30 countries around the globe; its main export markets included Europe, the United States, Canada, Australia, and Arab countries.[[13]](#footnote-13)

Kefraya’s share represented 20 per cent of the total production of the Lebanese wine industry. Founded in 1946, with the slogan “a Terroir, a Soul, a Great Wine,” it was situated in the heart of the Bekaa Valley. The company’s strategic position offered its vineyards exceptional advantages due to their optimal climate conditions and soil constitution. Kefraya’s most popular wines included Château Kefraya, Les Bretèches, Comte de M, and Les Coteaux; each was created through various blending methods. In the early 1980s, Les Coteaux 1982 and 1983 won the winery’s first international medals, and Château Kefraya started exporting its wines to France. In 2016, it was present in more than 40 countries over five continents.[[14]](#footnote-14)

In 1997, Ksara and Kefraya collaborated with Château Musar, the third-largest player in the Lebanese wine market, to create the Union Vinicole du Liban (UVL), Lebanon’s official association of wine producers, which had 20 members by 2016.[[15]](#footnote-15)

**IXSIR**

**History and Performance**

IXSIR was established in 2007 by three friends who all had experience in the wine industry: Etienne Debbane, Hady Kahale, and Gabriel Rivero. Carlos Ghosn, chief executive officer of Nissan-Renault Alliance, and other partners invested in the firm to help build its identity and strategy. This strategy focused on a sustainable approach to developing the brand: using safe agricultural products to limit any negative effects on the land and partnering with farmers to give them the best trading conditions and assistance with technical issues.

IXSIR’s shareholders included the Debbane Saikali Group, one of the largest businesses in Lebanon, which was active in a range of industries, including flowers and telecommunications, and had many years of experience. Even though IXSIR was part of this group, it was run as an autonomous unit, with its own board of directors. The technical director of IXSIR was Gabriel Rivero, previously the winemaker at Sociando-Mallet, a renowned French winery in Bordeaux, and the technical director of one of the largest Lebanese wineries. Hubert De Bouard, the co-owner and winemaker of the first-growth Château Angelus in Saint Emilion, which sold wines for an average price of $339 per bottle, served as a consultant to the firm. By 2016, IXSIR had 13 full-time professional employees, three labourers, and four part-time hostesses (see Exhibit 4).

Since its establishment, IXSIR had been cultivating grape varieties from different terroirs—from Batroun in the north to Jezzine in the south. The winery’s mission was “to offer a superior wine experience by continuously embodying the best mountainous terroirs of Lebanon while practicing developmentally sustainable viticultural techniques,” and its vision was “to become the most sought after wine in Lebanon.” In a centralized winery in the hills of Batroun, the winemakers blended different types of grapes to create IXSIR’s unique taste, which “encompasse[d] the whole of Lebanon.”

Shortly after it launched in 2010, IXSIR was praised by Jean-Marc Quarin, a well-known French wine critic with over 10 years of experience in Lebanese wines, who awarded the wine “the best grade I have ever given to a Lebanese wine” during the yearly launch campaign for Bordeaux wines.

IXSIR’s wines were divided into three categories: Altitudes, Grande Reserve, and El Ixsir. Altitudeswas a fruity, aromatic wine offered in red, white, and rosé; it was young and offered the best value. Grande Reserve was aged in oak barrels and was offered in red, white, and rosé. El Ixsir was a *micro-cuvée* wine, lengthily aged and full bodied; it was offered in red and white and was the most expensive in the range. In 2015, IXSIR’s sales revenues reached $3,571,000: 42 per cent from Altitudes,46 per cent from Grande Reserve*,* and 12 per cent from El Ixsir. Furthermore, 44 per cent of the firm’s sales revenues were from exports. The wine was exported to 21 different countries, including the United States, France, and Japan (see Exhibit 5).

**Value Chain**

Instead of dealing with grape wholesalers, IXSIR acquired its raw material from individual farmers across Lebanon and from its own lands and supervised the quality of the grapes during the growing season and after harvesting. The grapes were put into fermentation tanks at the production site, where they underwent the transformation into wine. The wine was then placed into other tanks or barrels for aging, then bottled and set for further aging as *tirés-bouchés*, or naked bottles—bottles without labels. Bottles were aged without labels in order to avoid letting dust and humidity damage the labels. Upon demand, the bottles were then sent for final touches such as labelling and boxing, which transformed them into finished products.

In Lebanon, IXSIR dealt with only one distributor, Enoteca, which belonged to a common shareholder, the Debbane Saikali Group. Even though they functioned as two different companies, IXSIR and Enoteca shared strong links, transparency, and sales figures. Outside of Lebanon, IXSIR dealt with a different distributor in each country—with a total of 21 different external distributors.

IXSIR placed a strong emphasis on its marketing strategy, which was important because it was a relatively new company without the strong brand recognition of its competitors. Its marketing team aimed to promote the firm’s competitive edge and create a special position for IXSIR in the minds of consumers. One of its most famous advertisements asked the question, “Lebanon is a small country, but can it fit into one bottle?” This slogan referred to IXSIR’s many vineyards, which were distributed across Lebanon’s mountains, from south to north; the advertisement noted that IXSIR was the only winery in Lebanon with such a network of vineyards. However, IXSIR faced high costs and low margins in a tough economic period, and it was not always easy to secure the high marketing budget needed to launch the wine brand.

IXSIR distributed its wine through five main channels: 58 per cent was sold through supermarkets, 19 per cent through restaurants and bars, 9 per cent through wine shops and delicatessens, 9 per cent through an IXSIR wine shop in Batroun, and the remaining 5 per cent through other channels. IXSIR was planning to launch a new online channel, where customers could order online and get their wine delivered directly to their front door; however, Lebanese culture had not yet embraced online shopping, so IXSIR had decided to delay this plan for a few years. One distribution issue IXSIR faced, as a relatively new company, was that it had to fight for display space in supermarkets because the older wineries had a higher presence and power and received more display privileges. Even though this was the distributor’s responsibility, the winery had been working on this issue along with the distributor. Supermarket sales represented close to 60 per cent of IXSIR’s sales, so this issue was difficult due to the bargaining power of supermarkets.

Before setting its prices, IXSIR’s management team had surveyed the market and found that a gap existed between the price points of currently available wines. Wine prices ranged between $7 and $40 on average, and they were either very inexpensive or very expensive (see Exhibit 6). The market seemed to lack wines of high quality at competitive prices. Hence, IXSIR had started focusing on lowering its costs without undermining the quality of its product. It did so by following a unique backward-integration strategy, whereby it rented vineyards instead of buying them. IXSIR excluded the grape wholesalers from the value chain and established direct contracts with the vineyard farmers. It offered the farmers an extra 30–50 per cent per year and paid this as a front-end fixed amount. It was therefore able to control the quality of its raw material by building this relationship with farmers. IXSIR aimed to promote sustainable farming in all its viticulture practices; it partnered with the farmers by giving them the best trading conditions and assisting them with technical knowledge—helping them to remain on their lands and thus curbing urban migration problems.

Business Model

The main difference between IXSIR and competitors such as Ksara and Kefraya was that IXSIR was the only winery in Lebanon with grapes that came from over six different terroirs. Each vineyard grew optimally in a specific climate and under specific geographical conditions. While the other wineries each focused on one particular area as a source for their grapes—mainly the Bekaa area—IXSIR benefitted from its presence in Lebanon’s mountains to create a unique mixture and taste.

Moreover, IXSIR’s image as a boutique winery gave it an edge in entering foreign markets. While Ksara and Kefraya also put effort into the export market, they did not always succeed. They had images as big industrial wineries, whereas the international markets had a preference for boutique wineries that represented authenticity and terroir. Unlike Ksara and Kefraya, which were doing better in the local markets, and Château Musar, which focused only on foreign markets, IXSIR competed in both local and foreign markets. It aimed at having its operations outside the country as strong as those inside the country. It also believed that its established image and value in Lebanon would help increase sales in foreign markets by creating a nostalgic feeling among Lebanese people living outside of their country.

Furthermore, IXSIR was well recognized for its eco-friendly initiatives. The winery had won the Green Good Design architecture award and was named one of the greenest buildings in the world by CNN in 2011, which stated that the firm “had been recognized not only for their good looks but for their green credentials too.”[[16]](#footnote-16) For example, IXSIR’s winemaking process was aided by free-flow gravity fermentation. By naturally relying on gravity, IXSIR had reduced its dependence on mechanical pumping systems, respecting the integrity of winemaking and lowering electricity consumption. Similarly, the winery maximized the use of natural light to illuminate the premises; collected rainwater for irrigation purposes; and recycled all its outputs such as wastewater and vegetable residue, turning them into compost.

Strategy

As a relatively new company, IXSIR aimed to achieve stability, customer awareness, and satisfaction through higher quality, a unique grape blend, and consistency. Although it operated in Lebanon, it focused heavily on the export market, selling its wine in 21 different countries. With a price slightly above the average, IXSIR targeted the middle- to upper-class population. In Lebanon, IXSIR targeted a niche market, especially as a share of the population refrained from drinking due to religious reasons.

With many existing and potential competitors in the market, IXSIR competed not only on the quality of its products but also on the experience it provided in its own winery in Batroun. Many of the competitors in the market already offered oenology tours, but IXSIR also offered eco-tourism—offering customers a chance to spend a day in the mountains of Lebanon and enjoy an experience at IXSIR’s own restaurant while shopping at IXSIR’s own shop.

CURRENT SITUATION

It was clear that the situation in Lebanon posed a threat to wineries such as IXSIR, and there was a need to mitigate any potential threat. Kahale was well aware of this and had started thinking of different alternatives to consider and different revenue-generating activities that IXSIR could pursue. Should it focus on oenotourism? Should it increase its marketing? Should it establish an increased international presence? Or should it diversify into other products such as olive oil, which had long been the backbone of Lebanese cuisine?

Oenotourism was a prominent trend, and many wineries in Lebanon, including Ksara and Kefraya, offered wine tours in their vineyards along with attractive offers in their on-site restaurants and nearby hotels. Kefraya had even launched a wine museum a few years ago, which showed that wine had become not just a product but also a service.[[17]](#footnote-17) IXSIR’s distributor, Enoteca, had noticed an increase in awareness and interest in wine culture in Lebanon. While it had previously offered one wine course per month for 15 people and only 10 people would register on average, in recent years, it offered four wine courses per month for more than 15 people and constantly found itself having to turn customers away. Kahale wondered about the different ways to enter oenotourism competitively and hoped to come up with a winning strategy for the coming years.

EXHIBIT 1: MAP OF LEBANON



Source: Adapted from Central Intelligence Agency, “Middle East: Lebanon,” The World Factbook, accessed January 25, 2017, https://www.cia.gov/library/publications/the-world-factbook/geos/le.html. Winery locations added by the authors.

EXHIBIT 2: LEBANESE ENVIRONMENT ANALYSIS (2015)

**Economics**

|  |  |
| --- | --- |
| Unemployment | 22.1% |
| GDP (purchasing power parity) | $83.86 billion |
| GDP real growth rate | 1.5% |
| GDP per capita | $18,600 |
| GDP by sector of origin | Agriculture: 5.6%  Industry: 24.7%  Services: 69.7% |
| Industrial production growth rate | 1.7% |
| Inflation rate (consumer prices) | −3.5% |
| Alcoholic beverages, tobacco, and narcotics (consumer price index) | 1.6% (2012) |
| Economic freedom | 90 (100-point scale, 100 being the best) |

**Demographics**

|  |  |
| --- | --- |
| Total population | 6,184,701 |
| [Population](https://www.cia.gov/library/publications/the-world-factbook/docs/notesanddefs.html?fieldkey=2002&alphaletter=P&term=Population%20growth%20rate) growth rate | 0.86% |
| Age ranges | 0–14 years: 25.08%  15–24 years: 17.04%  25–54 years: 44.13%  55–64 years: 7.18%  65 years and over: 6.58% |
| Sex ratio at birth | 1.05/1.00 (male/female) |

**Technology and Infrastructure**

|  |  |
| --- | --- |
| Electricity, production | 13.99 billion kWh (2012 est.) |
| Electricity, consumption | 12.94 billion kWh (2012 est.) |
| Telephones, fixed lines | 970,000 |
| Telephones, mobile cellular | 4.4 million |
| Internet users | 4 million |
| Broadcast media | 7 television stations (one is state-owned); more than 30 radio stations (one is state-owned); satellite and cable television services available; transmissions of at least two international broadcasters are accessible through partner stations (2007) |
| Roadways | 6,970 km, including 170 km of expressways (2005) |

Source: Compiled by case authors from Central Intelligence Agency, “Middle East: Lebanon,” The World Factbook, accessed January 25, 2017, https://www.cia.gov/library/publications/the-world-factbook/geos/le.html; “Consumer Price Index: CPI Results: 2016–2015–2014–2013–2012–2011–2010–2009–2008,” Central Administration of Statistics, March 27, 2015, accessed April 27, 2016, <http://www.cas.gov.lb/index.php/economic-statistics-en/cpi-en>.

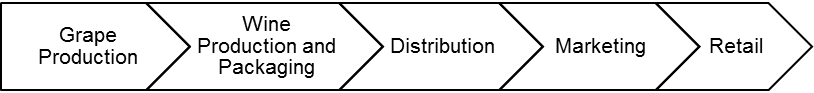
**EXHIBIT 3: WINE INDUSTRY VALUE CHAIN AND RELATED IXSIR ACTIVITIES**

**IXSIR VALUE CHAIN ACTIVITIES**

**INDUSTRY VALUE CHAIN**

* buying grapes from farmers
* harvesting grapes on

own lands



* fermentation
* aging
* bottling, labeling, and packaging
* managed by Enoteca and 21 different external distributors
* internal marketing team
* IXSIR store in Batroun

Source: Developed by the case authors.

**EXHIBIT 4: IXSIR ORGANIZATIONAL CHART**

Source: Developed by the case authors based on data from company files.

**EXHIBIT 5: IXSIR SALES PER EXPORT REGION (2015)**

Source: Developed by the case authors based on data from company files.

EXHIBIT 6: COMPARATIVE LEBANESE WINE PRICES

(U.S. Dollars)

|  |  |  |
| --- | --- | --- |
| **Château Kefraya** | **Château Ksara** | **IXSIR** |
| Les Bretèches  $7–8 | Blanc de Blancs  Sunset Rosé  Réserve du Couvent  $9–15 | Altitudes  $11 |
| Château Kefraya  $16–25 | Château Ksara  $14–23 | Grand Reserve  $16–30 |
| Comte de M  $30–45 | Souverain  $30–40 | El Ixsir  $40–60 |

Source: Developed by the case authors based on data from company files.

1. Central Intelligence Agency, “Middle East: Lebanon,” The World Factbook, accessed January 25, 2017, https://www.cia.gov/library/publications/the-world-factbook/geos/le.html; Riwa Daou, “Lebanese Tourism Sector in 2014,” The Research Blog, Blominvest Bank, accessed September 20, 2016, http://blog.blominvestbank.com/lebanese-tourism-sector-in-2014; “Lebanon Economic Report: An ‘Equilibrium’ within an Overall ‘Disequilibrium,’” Bank Audi Group Research Department, 2016, accessed September 20, 2016, www.bankaudigroup.com/GroupWebsite/openAudiFile.aspx?id=3114; “Lebanon Economic Report: In Order to Raise the Prevailing Sluggish Growth Rates,” Bank Audi Group Research Department, 2015, accessed September 20, 2016, www.bankaudi.com.lb/GroupWebsite/openAudiFile.aspx?id=2615. [↑](#footnote-ref-1)
2. LBP = Lebanese pound; USD1.00 = LBP1,507.50 in June, 2016; Central Intelligence Agency, op. cit. [↑](#footnote-ref-2)
3. Central Intelligence Agency, op. cit. [↑](#footnote-ref-3)
4. Migration Policy Center, *MPC Migration Profile: Lebanon* (Migration Policy Centre, European University Institute, June 2013), accessed May 20, 2016, www.migrationpolicycentre.eu/docs/migration\_profiles/Lebanon.pdf. [↑](#footnote-ref-4)
5. Lebanese Ministry of Agriculture, *National Action Programme to Combat Desertification* (United Nations Convention to Combat Desertification, 2003), accessed May 20, 2016, www.unccd.int/ActionProgrammes/lebanon-eng2003.pdf; Central Intelligence Agency, op. cit. [↑](#footnote-ref-5)
6. Q.D. Truong, *The Global Wine Industry I: An Overview*, (Danvers, MA: Global AgInvesting Research & Insight, 2012). [↑](#footnote-ref-6)
7. “Mapping Global Wine Production,” Euromonitor International, 2015, accessed May 5, 2016, www.euromonitor.com/medialibrary/PDF/pdf\_globalWineProd-v1.0.pdf. [↑](#footnote-ref-7)
8. “China Is By Far the World’s Largest Wine Market,” *The Globe and Mail*, July 30, 2015,accessed May 5, 2016, www.theglobeandmail.com/report-on-business/international-business/china-is-by-far-the-worlds-largest-wine-market/article25772591. [↑](#footnote-ref-8)
9. Vinexpo, *The World Wine and Spirits Market with a Look Forward to 2016* (January 17, 2013), accessed May 5, 2016, www.infowine.com/docs/document144.pdf. [↑](#footnote-ref-9)
10. Blominvest Bank Research Department, *Exploring the Lebanese Wine Industry* (July 6, 2013), accessed May 20, 2016, https://www.blominvestbank.com/Library/Files/BLOM%20Invest/Spot2013/2013-07-Exploring%20the%20Lebanese

    %20Wine%20Industry.pdf. [↑](#footnote-ref-10)
11. All dollar amounts in the case are in U.S. dollars. [↑](#footnote-ref-11)
12. Ibid. [↑](#footnote-ref-12)
13. Château Ksara Newsletter, Issue 5, accessed April 3, 2016, www.chateauksara.com/newsletter.php. [↑](#footnote-ref-13)
14. *Exploring the Lebanese Wine Industry*, op. cit.; “Wines,” Château Kefraya, accessed April 21, 2016, www.chateaukefraya.com/#/en/ourproducts/products. [↑](#footnote-ref-14)
15. “Members,” Union Vinicole du Liban, accessed April 3, 2016, www.lebanonwines.com/members.php. [↑](#footnote-ref-15)
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